

BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA



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Order Instituting Rulemaking Regarding
Revisions to the California Universal
Telephone Service (LifeLine) Program.

R.11-03-013
(Filed March 24, 2011)

**REPLY COMMENTS OF THE CENTER FOR ACCESSIBLE TECHNOLOGY, THE
GREENLINING INSTITUTE, AND THE UTILITY REFORM NETWORK TO
SEPTEMBER 22, 2016 RULING REQUESTING COMMENTS ON WORKSHOPS AND
FEDERAL COMMUNICATIONS COMMISSION'S THIRD REPORT AND ORDER**

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TABLE OF CONTENTS

I. INTRODUCTION	1
II. THE COMMISSION SHOULD FOCUS ON INTERIM RULES CONSISTENT WITH THE LONGSTANDING GOALS OF THE LIFELINE PROGRAM.....	2
III. THE COMMISSION SHOULD REJECT SUGGESTED CHANGES THAT WOULD MAKE THE LIFELINE PROGRAM MORE STREAMLINED FOR CARRIERS AT THE EXPENSE OF CUSTOMERS.....	3
IV. THE COMMISSION SHOULD REJECT CARRIER ARGUMENTS REGARDING “HARMONIZING” CALIFORNIA ELIGIBILITY REQUIREMENTS WITH THE FEDERAL PROGRAM.....	3
V. THE COMMISSION SHOULD REJECT WIRELESS CARRIERS’ ARGUMENTS REGARDING BENEFIT TRANSFER FREEZES	5
A. The Commission Should Reject Wireless Carriers’ Requests For An Enrollment Freeze. 5	
B. The Commission Should Reject Arguments Based On Exaggerated Claims Of Fraud By Wireless Lifeline Customers.....	6
VI. THE COMMISSION SHOULD CAREFULLY CONSIDER WHETHER CARRIERS TRULY NEED REIMBURSEMENT OF NONRECURRING CHARGES IN ORDER TO COVER LIFELINE PROGRAM COSTS.	7
VII. THE NEED FOR THE COMMISSION TO CONTINUE WITH A STATE-SPECIFIC RENEWAL PROCESS FOR THE LONG TERM IS LINKED TO THE LEVEL OF INDEPENDENCE OF THE CALIFORNIA STATE PROGRAM.....	7
VIII. RULES ADDRESSING BUNDLES MUST BE CONSUMER FRIENDLY	11
IX. CONSUMER EDUCATION CANNOT BE AN AFTERTHOUGHT OR A CARRIER-SPECIFIC MARKETING TOOL.....	12
X. THE COMMISSION HAS THE AUTHORITY TO IMPOSE MINIMUM STANDARDS FOR LIFELINE-SUPPORTED BROADBAND SERVICES.....	15
XI. CONCLUSION.....	16

Pursuant to Rule 11.1 of the Commission’s Rules of Practice and Procedure, the Center for Accessible Technology (CforAT), The Greenlining Institute (Greenlining), and The Utility Reform Network (TURN) (hereinafter referred to as “Joint Consumers”) file these reply comments to the September 22, 2016 Ruling Requesting Comments On Workshops And Federal Communications Commission’s Third Report And Order (“Order”).

I. INTRODUCTION

In responding to the FCC Order, the Commission should focus on interim rules consistent with the longstanding goals of the California LifeLine program, and should reject suggested changes that would make the LifeLine program more efficient for carriers at the expense of customers. Specifically, the Commission should reject carrier arguments that the Commission should “harmonize” California eligibility requirements with those of the federal program at the expense of state specific benefits and stronger consumer protections. The Commission should also reject wireless carriers’ requests for an enrollment freeze that goes beyond what the FCC and state rules require; these requests are not justified, and are based primarily on carriers’ exaggerated claims of fraud by wireless lifeline customers. Additionally, the Commission should carefully consider whether the program benefits from state reimbursement of nonrecurring charges. The Commission should continue to process renewals in the short term, with process improvements to support wireless customers. The state’s long-term renewal process should be subject to further review and design modification as details of the National Verifier become clearer. Protections for customers of bundled services should be put in place in the short term, in conjunction with the rules for fixed-VoIP carriers, because it appears that customer demand for LifeLine bundled offerings will only continue to grow. Joint Consumers note that the level of uncertainty and confusion regarding the implementation of these new rules

should serve as strong support for robust consumer education efforts, not as an excuse to wait to invest in neutral, comprehensive and clear consumer education materials. Finally, while several commenters appear to support the concept of a state broadband subsidy and find that the Commission has the authority to impose minimum standards for lifeline-supported broadband services, the Commission need not determine those minimum standards at this time.

II. THE COMMISSION SHOULD FOCUS ON INTERIM RULES CONSISTENT WITH THE LONGSTANDING GOALS OF THE LIFELINE PROGRAM

In opening comments, Tracfone predicts that any actions taken by the Commission to implement the federal rule changes and possibly redesign the program may lead to unpredictable effects.¹ As parties and staff noted in the October 14, 2016 workshop, many of the FCC's new rules are unclear, and it is difficult to tell how the FCC will clarify those rules. Accordingly, the Commission should focus on solutions that will solve problems in the short-term but will not hamper the Commission's implementation of the LifeLine program once the FCC clarifies its rulings in the LifeLine Order.

In opening comments, Joint Consumers focused on issues that we believe need short-term attention including the port freeze, renewal process, change in eligibility standards and consumer education. We also provided a suggested list of issues that we believe are critical to the success of the program, but need not be addressed at this time. In general, the opening comments of other parties address the same short-term issues and urge the Commission to act expeditiously on those issues while providing further opportunity for analysis and comment on other longer-term items.

¹ Tracfone Opening Comments at p. 17.

III. THE COMMISSION SHOULD REJECT SUGGESTED CHANGES THAT WOULD MAKE THE LIFELINE PROGRAM MORE STREAMLINED FOR CARRIERS AT THE EXPENSE OF CUSTOMERS.

A number of carriers urged the Commission to relinquish control of the California LifeLine program to the FCC.² Additionally, some carriers argue that the Commission should relinquish this control while, at the same time, increasing program costs by extending and expanding reimbursement for non-recurring charges³ or increasing the state subsidy amount to help support broadband-only service.⁴ Joint Consumers continue to support a California LifeLine program that encourages carrier participation through ease of administration, but not at the expense of LifeLine subscribers through more restrictive eligibility criteria, unnecessarily locking in customers, and minimizing consumer education. While additional examples will be discussed below, Joint Consumers urge that this principle should be part of the discussion as the Commission revisits state discounts and programs in the context of changes to the federal rules.

IV. THE COMMISSION SHOULD REJECT CARRIER ARGUMENTS REGARDING “HARMONIZING” CALIFORNIA ELIGIBILITY REQUIREMENTS WITH THE FEDERAL PROGRAM

Disappointingly, some carriers are all too willing to eject low-income families from the program in the name of operational efficiency. For example, virtually all of the carriers argue that the Commission should modify the eligibility requirements for California LifeLine to mirror the Federal lifeline program.⁵ Carriers argue that the Commission should reduce income eligibility from 150% to 135% of the federal poverty level to make program administration more

² Cox Opening Comments at p. 4; Consolidated Opening Comments at p. 2; Tracfone Opening Comments at p. 5; AT&T Opening Comments at p. 1; Small LECs Opening Comments at p. 7.

³ Wireless Coalition Opening Comments at pp. 3, 5.

⁴ iWireless comments at October 14, 2016 workshop on benefit port freezes.

⁵ See, Small LECs Opening Comments at p. 14; AT&T Opening Comments at p. 17; Wireless Coalition Opening Comments at p. 8.

efficient and eliminate several qualifying programs.⁶ However, those carriers neglect to acknowledge that the cost of living in California is substantially higher than the national average.⁷ While a 135% poverty level threshold may be sufficient to ensure universal service in some parts of the country, it is not enough to ensure universal service in many parts of California, which includes four of the most expensive cities in the United States.⁸ Accordingly, the Commission should not “harmonize” the California eligibility requirements with those of the federal program without further input from stakeholders and the Commission should provide supplemental funding until it has had a chance to fully investigate the question of how best to ensure that Californians with low incomes have access to affordable service.⁹

The Commission has consistently reiterated the importance the Lifeline Program in providing access to vital services for customers who cannot afford to purchase them at market rates. Most recently, in a Proposed Decision issued in the Commission’s Investigation regarding the state of competition in the telecommunications market, the Commission repeatedly notes that affordability is an impediment to adoption of certain services, while also noting that affordability issues are being addressed in a separate docket.¹⁰ In its Conclusions of Law, the PD specifically states that “Telecommunications affordability will be addressed in the Lifeline proceeding, as well as by our other public purpose programs.”¹¹ While the PD has not been adopted by the

⁶ AT&T Opening Comments at p. 17; Cox Opening Comments at pp. 5-6.

⁷ See Missouri Cost of Living Education Center, Cost of Living Data Series findings for Q2 2016 that California ranks third in highest cost of living behind only Hawaii and Washington D.C. retrieved from: https://www.missourieconomy.org/indicators/cost_of_living/index.stm See also, Public Policy Institute of California, “Report: Social Safety Net.” retrieved from http://www.ppic.org/content/pubs/report/R_116CDR.pdf.

⁸ Expatistan.com, Cost of Living Index in North America, *available at* <https://www.expatisitan.com/cost-of-living/index/north-america>.

⁹ Joint Consumers’ Opening Comments at 6. See also, Small LEC comments, at p. 14, urging “bridge funding” for customers impacted by changes in federal eligibility if sufficient notice is not provided to those customers.

¹⁰ Proposed Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring, and Reporting on the Market (Competition PD), issued in I.15-11-007 on October 18, 2016, at pp. 110, 137-138, 150, 157-158 (FOF 10),

¹¹ Competition PD at p. 162 (COL 13)

Commission and will be subject to party comments (including comments by Joint Consumers), the interplay between that docket and this one has been noted consistently,¹² and supports the need for close attention to issues of access and concerns about the digital divide before any eligibility constraints should be considered.

V. THE COMMISSION SHOULD REJECT WIRELESS CARRIERS' ARGUMENTS REGARDING BENEFIT TRANSFER FREEZES

A. The Commission Should Reject Wireless Carriers' Requests For An Enrollment Freeze

Joint Consumers continue to support a reasonable benefit transfer freeze¹³ with sufficient exceptions¹⁴ that will help to protect the integrity of the program. However, during the Commission's workshop on benefit transfer freezes, wireless carriers appeared to advocate for an "enrollment freeze,"¹⁵ which would prevent eligible customers from switching providers *at all* for thirty days after they have signed up with a provider. Joint Consumers do not support an enrollment freeze that would start before a customer even initiates service. Joint Consumers are particularly concerned that this freeze would lock a customer into their service without the right of the 14-day rescission period as set forth in the LifeLine rules;¹⁶ this right of rescission must be preserved as a valuable consumer protection. Joint Consumers are also concerned that an

¹² See, e.g. Order Institution Investigation, issued in I.15-11-007 on November 12, 2015, at p. 21 (OP 2)

¹³ Joint Consumers understand that under a "benefit transfer freeze," a LifeLine customer's terminating service or changing providers would terminate payment of the LifeLine benefit to the original carrier. However, the new provider would not be able to obtain the LifeLine benefit until the expiration of the benefit transfer freeze period.

¹⁴ Joint Consumers Opening Comments at p. 17.

¹⁵ Joint Consumers' understand an "enrollment transfer freeze," would mean that once a LifeLine customer signed up for service, that customer would not be able to sign up with another provider within the first 30 days of enrollment, even if the customer had not yet activated their service with the first provider.

¹⁶ D.14-01-036 at p. 104; Appendix A-2 Lifeline Rules 1(d). See also, Pub. Util. Code §878.5 (AB 2570, Chapter 577) urging the Commission to consider "a period of time when a subscriber would be permitted to terminate lifeline without penalty" when designing the state port freeze. Tracfone Opening Comments, p. 22 noting that there is less of a concern with customers transferring pursuant to the 14-day rescission rule than those customers transferring services to obtain free phones.

enrollment freeze may allow a carrier to collect a subsidy for an eligible household that is not using the carrier's service, a situation which would flatly constitute waste.¹⁷

Additionally, an enrollment freeze would create a disincentive for carriers to increase service quality or exceed minimum service standards, because the customer is prevented from "shopping with their feet" and moving away from the existing carrier even if the current service does not meet their needs. Moreover, any guaranteed subsidy for one to two months of recurring charges and, potentially, reimbursement of non-recurring charges would create incentives for carriers to enroll customers in services regardless of whether the service meets those consumers' needs.

B. The Commission Should Reject Arguments Based On Exaggerated Claims Of Fraud By Wireless Lifeline Customers.

Throughout this proceeding, and particularly during the October workshop on benefit transfer freezes, wireless carriers have raised the specter of hordes of wireless customers enrolling for LifeLine service multiple times in one day in order to resell the handsets provided by the carrier.¹⁸ Joint Consumers acknowledge the importance of providing a wireless handset to a customer at the time of sale, and understand that some customers may be terminating service before carriers have recouped the cost of that handset. However, Joint Consumers believe that wireless carriers' concerns are unsupported and overstated. Joint Consumers believe, and have previously argued,¹⁹ that aggressive sales tactics, rather than customer wrongdoing, drives a

¹⁷ Joint Consumers participated in the October 14, 2016 Workshop on port freezes and recognize that at this moment it is unsettled. Joint Consumers will further review the recently published transcript from the Workshop, and parties' comments, and will provide further comment on this issue at the appropriate time.

¹⁸ iWireless comments at October 14, 2016 workshop on benefit port freezes. One carrier, iWireless, argued that some individuals were obtaining multiple handsets to sell "maybe even overseas." Joint Consumers fail to see the relevance of that particular argument, and should reject it.

¹⁹ Joint Consumers Reply Comments on December 24, 2015 Amended Scoping Memo at pp. 10-11.

substantial portion of the churn in the program. Joint Consumers urge the Commission to consider arguments regarding “handset fraud” in the proper context.

VI. THE COMMISSION SHOULD CAREFULLY CONSIDER WHETHER CARRIERS TRULY NEED REIMBURSEMENT OF NONRECURRING CHARGES IN ORDER TO COVER LIFELINE PROGRAM COSTS.

Joint Consumers recognize the importance of balancing the need to reduce potential barriers to program participation with the risk of carrier over earning; as such the Commission should allow some reimbursement of waived or discounted nonrecurring costs, while limiting such reimbursements to a reasonable level.²⁰ However, as Joint Consumers have previously noted, providing reimbursement of non-recurring charges and simultaneously implementing a benefit port freeze creates risk of double recovery.²¹ Moreover, Joint Consumers note that despite the elimination of the nonrecurring reimbursement at the federal level and the limits placed on the reimbursement at the state level, LifeLine carriers rarely pass through this charge to the end user. ORA also notes that almost \$40 in reimbursement for activation of a wireless phone is unlikely to be cost based and may result in a windfall for carriers.²² Joint Consumers urge the Commission to carefully consider whether carriers need both reimbursement for non-recurring charges and a benefit port freeze in order to fully recoup their costs of providing LifeLine service. The Commission should address this before the current rules on nonrecurring charge reimbursement explicitly sunset at the end of this year.²³

VII. THE NEED FOR THE COMMISSION TO CONTINUE WITH A STATE-SPECIFIC RENEWAL PROCESS FOR THE LONG TERM IS LINKED TO THE LEVEL OF INDEPENDENCE OF THE CALIFORNIA STATE PROGRAM.

Parties’ comments on the impact of the new federal rules on the recertification/renewal

²⁰ Joint Consumers Reply Comments on December 24, 2015 Amended Scoping Memo at p. 3.

²¹ *Id.*

²² ORA Opening Comments at pp. 4-5.

²³ September 2016 ALJ Ruling at pp. 3-4.

processes reflect the uncertainty of the structure and impact of the National Verifier as well as the uncertainty regarding changes to the state LifeLine program.²⁴ In our Opening Comments, Joint Consumers proposed that, “this Commission must be sure that it has a robust and accurate renewal process in place at least until there is more clarity and understanding of the structure of the National Verifier System and a clear design of any California-only eligibility and program offerings.”²⁵ The Wireless Coalition also urges the Commission to retain control over the annual recertification process.²⁶ But not all carriers articulated a clear direction for the Commission on this issue.

AT&T took no position in response to the Ruling’s questions whether the Commission should transfer all recertification functions to USAC at this time.²⁷ However, in response to questions about the staff’s workshop proposal for renewals, AT&T assumes that the California TPA will continue to conduct the recertification process, at least in the short term.²⁸ For the long term, AT&T urges the Commission to allow the National Verifier to manage all consumer recertifications.²⁹ It is unclear what basis AT&T relies upon to make its recommendation that the Commission to transfer all recertification functions to the National Verifier once it is established. Based on other parties’ comments and the FCC Order and supporting documents, there is too much uncertainty regarding both the National Verifier and the state LifeLine program rules to

²⁴ Without supporting citations, the Small LECs and Consolidated state that USAC will deploy the National Verifier in “California and four other states by December 31, 2017.” Consolidated Opening Comments, p. 4; Small LECs Opening Comments at p. 5. Joint Consumers do not interpret the FCC Order and National Verifier deployment timeline, as discussed in paragraph 164 of the FCC Order, in the same way. Because so much of the Commission’s long-term planning hinges on the timing and structure of the National Verifier, the Commission should confirm and clarify its understanding of the deployment schedule.

²⁵ Joint Consumers Opening Comments, at p. 11

²⁶ Wireless Coalition Opening Comments, pp. 17, 21

²⁷ AT&T Opening Comments, at p. 2

²⁸ AT&T Opening Comments, at p. 16; Cox makes a similar statement that assumes the TPA (or California LifeLine Administrator) will continue to handle the renewal/recertification process, but they also urge the Commission to “align” with the FCC’s rules. Cox Opening Comments at p. 27.

²⁹ AT&T Opening Comments, at p. 18

conclusively determine that the California LifeLine program would benefit from transferring these functions to the FCC.

The Small LECs' position on this issue is similarly vague. While they claim that there is nothing "unlawful" about relying on USAC for the renewal process in the short term, they also raise concerns that a USAC-administered process may not "align properly with customer expectations."³⁰ Joint Consumers agree with the Small LECs that this Commission should work to minimize significant customer-impacting differences between the federal and state processes and that the Commission should avoid having multiple administrators. From Joint Consumers' perspective, these concerns support the need to maintain a state-specific renewal database, with upgrades and revisions as proposed by parties to improve the renewal rate, for the foreseeable future.

Tracfone's comments suggest that carriers should *retain* the right to perform their own renewals consistent with *current practice*.³¹ However, Joint Consumers do not understand the current practice to allow carriers to conduct the renewals. Indeed, the Wireless Coalition has expressed significant frustration because the renewal rate has been so low and has suggested numerous ways for the carriers to conduct renewals on their own.³² The Wireless Coalition's opening comments urge the Commission to allow wireless carriers to collect data and recertification forms when customers switch LifeLine providers and transmit them to the TPA for verification, suggesting that wireless carriers do not currently perform that function.³³ The Commission should request clarification of Tracfone's comments on this issue.

³⁰ Small LECs Opening Comments, at p. 20.

³¹ Tracfone Opening Comments, p. 14 (emphasis added).

³² Wireless Coalition Opening Comments on December Scoping Memo, March 4, 2016, pp. 8-12; Wireless Coalition Opening Comments, p. 18-20.

³³ Wireless Coalition, p. 19-21

The need for the Commission to continue with a state-specific renewal process for the long term is linked to the level of independence of the California state program. If this Commission continues its robust state discount program for voice services, as supported by comments from Joint Consumers and other parties,³⁴ then a state-specific renewal process will be necessary. A state-specific verification process will also be necessary if the Commission maintains state-specific eligibility criteria that are broader than the FCC's.

Joint Consumers appreciate the specific and substantive recommendations made by the Wireless Coalition to improve California's LifeLine renewal rate.³⁵ Joint Consumers addressed many of these proposals in comments filed in this docket in April. Joint Consumers agree that the program statistics suggest that most wireless LifeLine customers do not respond to a mailed renewal form and that many of these customers would be more responsive to text and email reminders and features. The TPA has made some adjustments to the renewal process to supplement the mailed forms, and the Wireless Coalition supports those changes. The Wireless Coalition urges other helpful improvements including transferring calls directly to the TPA when a customer calls their carrier with questions about renewal and recertification, and efforts to make PINs easily available through text messages by the TPA or the carriers. Joint Consumers note that other parties, including ORA, further urge the staff to adopt the proposal to shorten the renewal timeline.³⁶

However, Joint Consumers do not support some of the additional proposals that place the provider in the middle of the recertification process, in particular transferring all customer

³⁴ AT&T Opening Comments at p. 16; Joint Consumer Opening Comments at p. 22; ORA Opening Comments at p. 3; Cox Opening Comments at p. 25.

³⁵ Wireless Coalition Opening Comments at p. 19

³⁶ ORA Opening Comments at p. 8.

outbound calls to the provider for a recertification reminder.³⁷ Not only would this be a burden and annoyance for the customer, it could result in opportunities for sales pressure, increased marketing, and upselling. Joint Consumers also need to further analyze the Wireless Coalitions' proposal to allow carriers to collect and submit recertification information when the customer transfers carriers. Finally, Joint Consumers urge further comment and discussion on ORA's proposal to eliminate the \$39 nonrecurring subsidy, at least in part, to reduce customer and carrier motivation for transfers. These issues go beyond the renewal process and should be reviewed in a broader context.

VIII. RULES ADDRESSING BUNDLES MUST BE CONSUMER FRIENDLY

Bundled service is a single rate plan that includes packaged voice and broadband services. As the FCC LifeLine subsidy moves to phase out voice service in favor of broadband, California LifeLine should continue its focus on consumer protections for voice service, even in bundles.³⁸ Therefore, a bundled service should be eligible for California LifeLine subsidy if, and only if, the voice component of the bundle meets California's minimum standards for voice service.

In considering bundles, the Commission should maintain its priority for voice service. Therefore, as mentioned in the Joint Consumer's opening comments, carriers should not require bundled service for LifeLine; LifeLine voice service should be itemized separately on bills; and partial payments for bundled services should pay for LifeLine services before any other service.³⁹ AT&T briefly addresses the issue of whether customers of a bundled service would be protected by voice or broadband rules. However, AT&T's comments only address the situation where the "the bundle in question" either qualifies as a voice or as broadband service receiving federal

³⁷ Wireless Coalition Opening Comments at p. 19.

³⁸ Joint Consumers Opening Comments at pp. 2-3, 18, 20-21.

³⁹ Joint Consumers Opening Comments at pp. 20-21.

support.⁴⁰ It does not address the issue of a bundle that would qualify as either (or both) broadband and voice. It is this new concept of voice and broadband bundles that the Commission should address.

LifeLine consumers should have the option to subscribe to voice only service, and bundled voice and broadband service. However, as ORA also comments, consumer protections are needed to safeguard LifeLine consumers and their access to quality voice service.⁴¹ If voice service is subject to port freeze as part of a bundle, the voice services should only be subject to a 60-day maximum freeze with the option to break the bundle after the conclusion of the voice port freeze. In permitting an option to break the bundle, the LifeLine program will maintain its integrity of providing quality voice service and consumers will not lose voice capabilities or emergency services.

IX. CONSUMER EDUCATION CANNOT BE AN AFTERTHOUGHT OR A CARRIER-SPECIFIC MARKETING TOOL

Informed consumers are essential to the vitality of the LifeLine program. Prior to the recent FCC Order, consumers were already experiencing confusion about the administration and operation of the program, how to identify the consumer's LifeLine carrier, and the extent of the rules and nature of the discount.⁴² Nearly every party that commented on consumer education agreed, the program and the Commission should coordinate the education efforts for consumers about the changes in the LifeLine program, and the Commission is in the best position to provide uniform education.⁴³ Yet, some companies put a different emphasis on consumer education, focusing instead on the burden of the effort and urging the Commission to keep education efforts

⁴⁰ AT&T Opening Comments at p. 27.

⁴¹ Joint Consumers Opening Comments at pp. 2-3; ORA Opening Comments at pp. 3-4.

⁴² Joint Consumers Opening Comments at p. 6, Small LECs Opening Comments at pp. 22-23.

⁴³ Joint Consumers Opening Comments at p. 24; Small LECs Opening Comments at pp. 6-7; AT&T Opening Comments at p. 19; Cox Opening Comments at p. 21.

to a minimum or to wait to develop the education materials.⁴⁴ Indeed, the Wireless Coalition does not address consumer issues at all. We agree with the Small LECs' recommendation to use community-based organizations to disseminate, and perhaps craft, some of the education materials yet, Joint Consumers find more urgency to the issue than the Small LECs appear to.⁴⁵ The Commission must work with Xerox, providers, and other stakeholders to craft and disseminate messages regarding the next steps and to monitor and revise those messages as more information becomes available.

In fact, during the LifeLine Workshop on October 14, 2016, carriers requested the Commission draft and provide language about the program rules for the carriers to provide to consumers. Unfortunately, due to the amount of existing confusion and the new rules, a one-time or simple message, or bill insert, regarding the program changes may not be enough.⁴⁶ Indeed, Joint Consumers disagree with Tracfone's comments that seem to suggest consumer education will not be necessary in most cases if the Commission mirrors the FCC requirements.⁴⁷ The position overly simplifies the efforts involved to incorporate changes in rules and eligibility regardless of state-federal coordination. Joint Consumers also disagree with the Small LECs that suggest consumer education be a third priority to be embarked on "after the dust settles" and once outstanding LifeLine modification issues have been "fully understood."⁴⁸ Although at the same time, the Small LECs seem to acknowledge that consumer education is critical to the success of the port freeze requirement.⁴⁹ Especially if the Commission does not get its requested extension on the eligibility and port freeze issues, the Commission does not have the luxury of

⁴⁴ Tracfone Opening Comments at p. 17, Cox Opening Comments at p. 21, AT&T Opening Comments at p. 19, Small LECs Opening Comments at p.27

⁴⁵ Small LECs Opening Comments at p. 22

⁴⁶ Tracfone Opening Comments at p. 17; Cox Opening Comments at p. 21, AT&T Opening Comments, at p. 19.

⁴⁷ Tracfone Opening Comments at p. 17

⁴⁸ Small LECs Opening Comments at p. 22.

⁴⁹ Small LECs Opening Comments at p. 27.

time to wait several months for the dust to settle. Joint Consumers are sensitive to the “cost and burden”⁵⁰ of educating consumers but believe this must be part of the current dialogue about the resources dedicated to the implementation of these new rules. In the short-term (next six months), consumers need to be educated on eligibility, port freezes, renewal process, de-enrollment requirements, and the National Verifier.⁵¹

California does not currently have a neutral customer education and information resource.⁵² Comments note that the Commission has a marketing budget for the LifeLine program and suggest utilizing the Commission’s existing relationship with a marketing contractor to perform education functions relating to the LifeLine program.⁵³ While Joint Consumers would agree that the Commission could tap that budget for targeted, limited, short-term education, longer-term solutions should have a budget that does not short change other purposes for outreach. However, because the Commission is in the best position to fill the need for neutral outreach and education – as opposed to sales-motivated messaging and outreach - the Commission should draw a clear distinction between consumer education and marketing, and set aside long-term budget funds to engage in long-term consumer education.⁵⁴

California LifeLine should provide consumer education in multiple ways. For immediate and short-term impacts regarding eligibility and other changes to the program, staff should work with carriers, the Third Party Administrator, and existing community based organizations to educate consumers.⁵⁵ To address long-term program changes, staff should hold a workshop / webinar for all interested stakeholders to distribute new information to all parties and answer

⁵⁰ Tracfone Opening Comments at p. 17.

⁵¹ AT&T Opening Comments at p. 19; Small LECs Opening Comments at p. 6.

⁵² Joint Consumers Opening Comments at pp. 24-25.

⁵³ Small LECs Opening Comments at p. 22, Cox Opening Comments at p. 21.

⁵⁴ Joint Consumers Opening Comments at pp. 24-25.

⁵⁵ Joint Consumers Opening Comments at p. 24, ORA Opening Comments at p. 19, Cox Opening Comments at p. 21.

questions.⁵⁶ Whether short-term or long-term, staff should maintain uniformity of stakeholder understanding and consumer education by drafting language for all carriers to disseminate to consumers; this language should also be included on the LifeLine and CalPhoneInfo websites, and materials.⁵⁷

Consumer education should be a high priority for the Commission. In the short term, consumers affected by the FCC Order need to be informed of the changing eligibility rules. In the long-term, having informed consumers will likely reduce the amount of churn, and the perception of fraud and waste. Therefore, Joint Consumers encourage the Commission to utilize their marketing resources to create and distribute neutral consumer education material for the LifeLine program.

X. THE COMMISSION HAS THE AUTHORITY TO IMPOSE MINIMUM STANDARDS FOR LIFELINE-SUPPORTED BROADBAND SERVICES.

Joint Consumers support Small LECs' view that "LifeLine should move toward supporting broadband, but the details should be further explored and solidified through further analysis in this proceeding."⁵⁸ Joint Consumers generally support the use of LifeLine for broadband, but believe that the issues require further discussion before the Commission can consider implementing broadband-only LifeLine support.⁵⁹ As noted at the benefit port freeze workshop, the LifeLine program currently supports both stand-alone voice service and voice service/broadband bundles. Joint Consumers believe that LifeLine support for voice and for voice bundles is sufficient until the Commission can make a more complete determination regarding the value and policy regarding broadband subsidies. However, even before

⁵⁶ ORA Opening Comments at p. 19

⁵⁷ See discussion during the October 14, 2016 workshop and Small LECs Opening Comments at p. 27.

⁵⁸ Small LECs Opening Comments at p. 12.

⁵⁹ Joint Consumers Opening Comments at p. 23.

conclusively determining if it would be appropriate to adopt a state subsidy for broadband, the Commission should reject carrier arguments that the Commission should not⁶⁰ or cannot⁶¹ impose minimum standards for broadband LifeLine. These arguments contradict the multiple Commission rulings that the Commission can impose minimum standards on carriers who voluntarily participate in the LifeLine program.⁶²

XI. CONCLUSION

Opening comments reflect the important stake that all parties to this proceeding have in the LifeLine program. As a result, the comments reflect an overriding goal for LifeLine to thrive and serve California's most vulnerable consumers. Yet, comments differ on the necessary changes and revisions to the program design to reach this goal. While the comments reflect the uncertainty resulting from changes in the FCC's program, Joint Consumers urge the Commission to press forward and address critical short-term issues to ensure the program meets customer needs and to avoid harm to the program and its participants.

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⁶⁰ AT&T Opening Comments at p. 26.

⁶¹ Cox Opening Comments at p. 25.

⁶² See D.10-11-033 at p. 66; D.14-01-036 at p. 51; see also, *Proposed Decision Adopting Revisions to Modernize and Expand the California LifeLine Program by Allowing Voluntary Participation by Fixed Voice Over Internet Providers without a Certificate of Public Convenience and Necessity* at p. 29, Conclusion of Law 6 (Issued September 27, 2016).